IR 213: Fall 2012
Midterm Study Guide, Part 2

Key Terms:
Dumping
Social Dumping
Countervailing duties
Dependency Theory
Import-Substituting Industrialization
Export-Oriented Industrialization
Washington Consensus
Neocolonialism
Smoot-Hawley Tariff (no example needed)

Short-answer questions:
1. Why do former colonies where colonists were more likely to live themselves have better political institutions (e.g. court systems, bureaucracies) than former colonies where very few colonists actually settled?

2. List one benefit and one cost for each of the following strategies:
   Total trade openness
   Subsidizing/protecting key industries
   Big government safety net

3. Why do rich countries that are more open to trade have larger government safety nets than rich countries that are more closed to trade?

4. What was the purpose of the GATT?

5. Who supported the corn laws in Britain? Who opposed them?

6. In 2012, what type of products have higher tariffs globally, agricultural products or manufactured goods?

7. Did global tariff levels increase or decrease during the great depression? Did this increase or decrease the severity of the great depression?

8. List two policies associated with the Washington Consensus.

Mini-Essay Questions:
1. Why have British colonies done better economically since decolonization than countries colonized by other European powers?

2. In what way(s) did Import Substituting Industrialization succeed? In what way(s) did it fail? (Make sure you discuss at least one area of success and one area of failure).
3. What are main similarities and differences between important-substituting industrialization and export-oriented industrialization?

4. What are the key factors that prevent an agreement in the Doha round of trade negotiations?

5. Please address the following three questions in 1-2 sentences each. How do agricultural subsidies in the US affect American consumers and taxpayers? How do they affect farmers in developing countries? Why does the US continue to subsidize agriculture?

6. How does trade liberalization promote environmental protection? How does it promote environmental destruction?

7. How does fair trade labeling and certification raise the prices paid to traditional and sustainable producers in developing countries (2-3 sentences)? What are two factors limiting its effectiveness (1 sentence each)?